

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayner  
Marshall Johnson  
Ken Nickolai  
Thomas Pugh  
Phyllis A. Reha

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of Great Plains Natural Gas  
Company's Petition for Approval of the  
Transfer of Property

ISSUE DATE: March 21, 2007

DOCKET NO. G-004/PA-06-1590

ORDER FINDING JURISDICTION AND  
APPROVING PROPERTY SALE

**PROCEDURAL HISTORY**

On November 20, 2006, Great Plains Natural Gas Company filed a request for approval of a purchase agreement between Great Plains and the Bike Shop, wherein Great Plains will convey a downtown office building in Marshall, Minnesota to the Bike Shop.

In its request, Great Plains suggested that, based on a Commission order issued in 1995, it is not clear if the sale of the building is subject to Commission jurisdiction. The Company also requested a variance to Minn. Rule 7825.1800 B.

On January 19, 2007, the Department of Commerce filed comments recommending that the Commission find that the transaction is subject to the Commission's jurisdiction and approve the sale.

On March 8, 2007, the Commission met to consider the matter.

**FINDINGS AND CONCLUSIONS**

**A. The Commission Has Jurisdiction Over the Transaction**

The statute requiring Commission approval of utility property transfers reads in pertinent part:

No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state . . . without first being authorized so to do by the commission . . . . If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in

writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated. . . .

Minn. Stat. § 216B.50, subd. 1.

The Commission clearly has jurisdiction over this transaction.<sup>1</sup> The services associated with the Marshall building are an integral part of the provision of natural-gas service, and hence, a part of Great Plains' operating system or unit. Here, in contrast to the case Great Plains offered as support for its position that the Commission did not have jurisdiction over this sale, the building was utilized by the Company after it signed the sales agreement on April 18, 2006, until it moved into its newly constructed administrative building on September 14, 2006.<sup>2</sup>

#### **B. The Transaction is Consistent with the Public Interest and Will be Approved**

The statute requires the Commission to approve the transaction upon finding that it is consistent with the public interest. In making this determination, the Commission is directed to consider the reasonable value of the property involved. Minn. Stat. § 216B.50, subd. 1.

The Commission concurs with the Company and the Department that the terms of this sale are reasonable. Further, the consolidation of Great Plains' Marshall operations at one site has operational benefits for the Company. The transaction is therefore consistent with the public interest, and will be approved.

#### **C. Miscellaneous Matters**

The Commission, in keeping with past practice,<sup>3</sup> will require the Company to record the gain on this sale in Account 108, Accumulated Provision for the Depreciation of Gas Utility plant. The Commission will not, however, grant the variance requested by the Company to the filing requirements. The Commission does not concur with the Company that meeting the filing requirements of Minn. Rule 7825.1800 B would have been an excessive burden and will therefore deny the requested variance.

---

<sup>1</sup> See, e.g., In the Matter of Otter Tail Power Company's Petition for Approval of the Transfer of Property to the City of Wahpeton, Docket No. E-017/PA-1345, Order Finding Jurisdiction and Approving Property Transfer (December 14, 1998).

<sup>2</sup> In Docket No. E-002/PA-05-260, the property was not being used for *any* company purpose at the time the agreement to sell was signed.

<sup>3</sup> See, e.g., Docket No. E-015/PA-05-653 (Minnesota Power sale of a helicopter); Docket No. E-015/PA-06-1589 (Minnesota Power exchange of aircraft with Adesa).

## **ORDER**

1. The Commission finds that it has jurisdiction over Great Plains' request for approval of a purchase agreement in this docket.
2. The Commission finds that the sale is consistent with the public interest and approves the sale.
3. The Company shall promptly record the gain on this sale in Account 108, Accumulated Provision for the Depreciation of Electric Utility Plant, and file the accounting entries that record the retirement of the building as well as the gain on the sale.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)

This document can be made available in alternative formats (i.e., large print or audio tape) by calling (651) 201-2202 (voice) or 1-800-627-3529 (MN relay service).